Indo-Iran Gas Pipeline Project

†105. SHRI PYARELAL KHANDELWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that out of 2775 km. long Indo-Iran gas pipeline 760 km. will pass through Pakistan;

(b) whether the safety of gas pipeline passing through Pakistan is still a matter of concern;

(c) if so, the steps Government are going to take in this regard; and

(d) whether Pakistan is also a partner in this project?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir. As per the route suggested by BHPBilliton, the Iran-Pakistan-India onland gas pipeline would traverse about 800 km. of Pakistan territory.

(b) Yes, Sir.

(c) India will take gas at the Indian border. The project developers have to cover the risk of the project for the Pakistan segment of the pipeline by securing adequate financial and sovereign guarantees as well as necessary insurance cover. The responsibility for this will rest with the Iranian side and the project developers. There would be adequate "supply or pay" conditions for ensuring security of natural gas supply for India. To provide additional security, gas storage facilities in India as well as short-term LNG supplies are proposed to be built into the project structure.

(d) Sir, Pakistan would become be a partner through a separate agreement on transmission and transit to be negotiated between Pakistan and Iran, and would also consume a part of the gas exported from Iran.

Cost of production of LPG

106. SHRI RAJKUMAR DHOOT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have been paying subsidy for LPG supplied to consumers;

† Original notice of the question was received in Hindi.

(b) if so, the details thereof;

(c) how the cost of production of LPG in India compare with other countries producing LPG; and

(d) whether any research has been done or other steps taken to bring down the cost of production of LPG?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) and (b) The Government subsidy on domestic LPG during 2004-05 has been Rs. 22.58/cylinder. In addition, the oil PSUs are bearing the burden of subsidizing this product. During April-December' 04, oil PSUs had estimated under-recoveries of around Rs. 129.18/Cylinder on domestic LPG

(c) and (d) Oil refining is a continuous process and the cost of refining individual petroleum products is not worked out separately because all products are produced together. The steps taken by public sector refineries to control the production cost of petroleum products, including LPG, include technical audit for control of chemicals and catalysts consumption, thrust on energy consumption and reduction in hydrocarbon losses, adherence to preventive and predictive maintenance schedules to achieve the optimum maintenance costs, control of overhead expenditure etc.

A comparison of the prices of 14.2 kg. LPG cylinder in India with those of neighbouring countries is given in the Statement.

Statement

The prices of LPG cylinder (in Indian Rupees per 14.2 kg) prevailing in India and neighbouring countries

	India (New Delhi)	Pakistan (Karachi)	Bangladesh (Dhaka)	Sri Lanka (Colombo)	Nepal (Kathmandu)
			Price as on		
	1/12/04	16/12/04	2/12/04	16/12/04	6/12/04
LPG (INR/14.2 KG)	281.60	424.83	376.42	368.94	457.57

Exchange rate as per Reuters.